

Bentley Commercial LLC/CORFAC INTERNATIONAL FLEX SPACE MARKET REPORT

GREENVILLE, SC

2008 YEAR END REPORT



MARKET OVERVIEW

By Tim Bright

With all of the talk about a recession and banks not loaning money it is hard to find positives in today's economy. The recession/economic crisis has resulted in increased vacancies and lower asking rates in the flex market which are things that potential tenants can smile about. For the purpose of this report, flex space is defined as a one story building/space with the building/space being divided as 50% being used for office space and 50% being used as warehouse or distribution space. The building/space must also have either a drive-in door or dock high door.

As we look at the Upstate as a whole the average asking rate last year at this time was \$7.64 PSF having dropped to \$7.36 PSF this year. The availability rate is at 20.8% today compared to 17.9% last year. Net absorption was a positive 10,290 SF at the end of the 2008 year compared to a positive 132,082 SF at the end of the year last year. Currently, there are no buildings under construction.

When we look at each market individually, the Greenville market had a positive net absorption of 6,785 SF this year which is down from this same time last year when it was positive 115,025 SF. The availability rate is at 22.5% compared to 19% at this time last year which made the average asking rates right now \$7.48 PSF which is down from last year at \$7.82 PSF. The Greenville market delivered a total of 88,860 SF of new buildings this year with 40,000 SF coming from 319D Garlington Road, 9,680 SF at 284 Rocky Creek Road, and 39,000 SF at the Kiowa Professional Park.

Spartanburg County had a net absorption of 21,785 SF which is down from last year when it was 56,925 SF. Spartanburg currently has an availability rate of 11.2% compared to last year at this time when it was 8.1%. The average asking rate in Spartanburg is \$6.36 PSF compared to last year when it was \$6.81 PSF. Spartanburg added 31,800 SF of space with 13,400 SF at 119 Ian Court.

Anderson County had a net absorption of negative (18,280) SF compared to positive 4,360 SF at this time last year. Anderson's availability rate is currently 9.2% compared to 8% at year end last year which has led to the average asking rates to drop from \$7.50 PSF at year end last year to \$6.67 PSF currently. Anderson County had no new inventory added this year.

As we, commercial real estate brokers, look in our crystal ball for 2009 it is hard to know what will happen with the Real Estate market. The Upstate is a growing industrial market as we are continuing to see interest from foreign companies. Being located on I-85 between Atlanta, GA and Charlotte, NC there will be a continuing strong demand for quality Flex space. Availability of such space will become increasingly more critical to meet potential customer's demands. As the US economy rebounds, the Upstate market will be well positioned for new growth.



FOR MORE INFORMATION, CONTACT OUR
OFFICE SPECIALISTS:

Randall Bentley, CCIM, SIOR
rbentley@bentleycommercial.com

Laurens C. Nicholson, CCIM, SIOR
lnicholson@bentleycommercial.com

Kevin Bentley
kbentley@bentleycommercial.com

Richard Barrett
rbarrett@bentleycommercial.com

Tim Bright
tbright@bentleycommercial.com

101 A WEST COURT STREET
GREENVILLE, SC 29601
PHONE: 864.704.1040
FAX: 864.704.1041

www.bentleycommercial.com

Permission is granted to quote from this publication only when Bentley Commercial LLC is credited as the source. All information contained herein was compiled utilizing data from sources deemed reliable. It is submitted without warranty. Statistical data was collected as of December 31, 2008 and encompasses multi-tenant buildings, single tenant buildings and owner occupied buildings. Lease rates quoted are NNN asking rates.

Source: CoStar Property Data and Bentley Commercial, LLC.

FLEX SPACE INVENTORY AND VACANCY RATES

AS OF DECEMBER 31, 2008

	Greenville	Spartanburg	Anderson	Total Market
Total Inventory	7,233,923	946,821	324,988	8,505,732
Direct Vacant SF	1,630,650	105,752	29,980	1,766,382
Availability Rate	22.5%	11.2%	9.2%	20.8%
Y-T-D Net Absorption	6,785	21,785	(18,280)	10,290
YTD New Product	88,680	18,400	0	120,480
Average Asking Rate/SF	\$7.48	\$6.36	\$6.67	\$7.36

